



USING THE DASHBOARD TO MONITOR THE HEALTH PROFILE OF THE POPULATION

Period Ending October 31, 2013



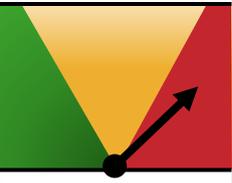
North Carolina
State Health Plan

FOR TEACHERS AND STATE EMPLOYEES

A Division of the Department of State Treasurer

 Segal Consulting

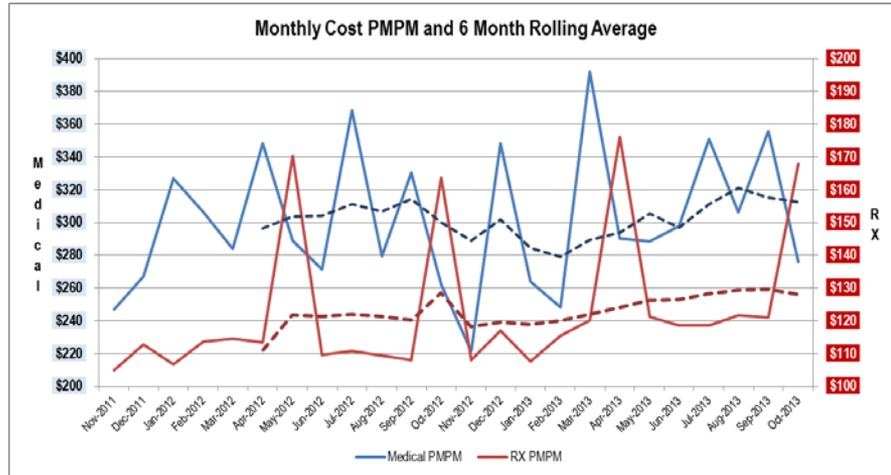
A Glance At The Dashboard

Panel	Alert	Observation	Recommendations
1) Principal Financial Trends		<p>Allowed claims increased 1.9% PMPM, which is lower than projections and some national benchmarks.</p> <p>Spending on pharmacy claims is growing more rapidly than spending for medical claims.</p>	<p>Continue to monitor SHP performance to ensure rapid response to any troubling trends.</p> <p>In 2014, analyze costs by plan option and participation in wellness activities to understand differences in and impact on costs.</p>
2) Paid Claims Summary		<p>This quarter and the next are part of the short plan year as SHP transitions from a fiscal to calendar year basis, a critical consideration since deductibles and coinsurance maximums are halved for these periods.</p> <p>Total claims (medical and pharmacy) paid by the SHP increased 5.2%, while member-paid claims decreased by 8.5%. The difference is likely driven in part by the reduced deductibles and coinsurance maximums in the short plan year.</p>	<p>Analyze the impact of the short plan year on utilization and costs.</p> <p>Monitor impact on SHP costs of declining member cost share, particularly after the short plan year ends.</p>
3) Key Performance Metrics		<p>Office visits to physicians per 1,000 remain above Segal's book of business. There were no significant changes in patterns of utilization of Emergency rooms and hospitals.</p>	<p>The BoT has approved several new plan features that will impact this area in CY 2014. In addition to traditional markers, monitor:</p> <ol style="list-style-type: none"> 1. Changes in preventive care visits 2. Changes in primary care utilization 3. Utilization of Tier One Hospitals and specialists <p>Targeted Case Management of 'high utilizers' with specific diagnoses should be a strategy for SHP going forward.</p>
4) Major Conditions		<p>Diabetes, Asthma/COPD, and Hypertension continue to be the high cost, high prevalence chronic conditions among SHP members.</p>	<p>Population Health initiatives that address these conditions should be made a priority in the coming plan year.</p> <p>In addition to these conditions, SHP will begin to monitor prevalence and associated costs for Behavioral Health (MH/SA).</p>

A Glance At The Dashboard

Panel	Alert	Observation	Recommendations
5) High Risk High Cost		The number of high cost claimants increased by 371 members from the previous time frame; this relatively small increase reflected a corresponding increase in services that utilized an additional \$16 million (see Panel 3).	<p>Further analysis should be conducted on patterns of utilization of care among high cost members to identify and understand potential points for intervention to contain costs using medical management services.</p> <p>In 2014, pilot initiatives should be developed to focus on diverting members from ER and Inpatient facilities to PCP providers or other more appropriate level of care, such as urgent care facilities.</p>
6) Clinical Quality Performance		Select clinical measures are above threshold while others fall below NCQA benchmarks. Baseline for clinical measures will be calendar year 2013.	Refine measures, establish appropriate benchmarks and baselines, and investigate initiatives to increase the delivery of care according to clinical standards.
7) Rx Summary		<p>Specialty pharmacy and inflation are the primary drivers of pharmacy trend increases. With the high inflation rate, SHP is paying a larger portion of the cost of the drug compared to the member cost share.</p> <p>A significant portion of Medicare retirees are enrolled in the various Medicare Advantage products for 2014 and it will be critical to understand how this will impact trend.</p>	<p>Monitor overall pharmacy expenses highlighting specialty pharmacy under both the pharmacy and medical benefits.</p> <p>Monitor the impact of the pharmacy tier changes for generics and specialty by measuring member cost share.</p> <p>Track the impact on trend due to the movement of the Medicare eligible members.</p>
8) Rx Top 10		Specialty pharmacy cost & utilization indicators are continuing to rise in the rankings of top 10 classes.	Monitor utilization and cost by top disease indications versus top therapy classes.

1 Principal Financial Trends – Claims Cost ALL Members



3 Key Healthcare Performance Metrics – ALL Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	667,259	663,714	0.5%	N/A	N/A
High Cost Claimants	16,446	16,075	2.3%	N/A	N/A
High Cost Claimants Total Paid	\$1,018,253,428	\$1,002,333,851	1.6%	N/A	N/A
Inpatient Days Per Thousand	381	380	0.4%	365	4.5%
Average Inpatient Day Cost	\$3,214	\$3,115	3.2%	\$3,090	4.0%
Total Admissions Per 1000	80	81	-0.7%	76	4.7%
Readmission Rate (30 Day)	15.5%	16.6%	-6.5%	N/A	N/A
Average Cost Per Admission	\$15,307	\$14,673	4.3%	\$14,748	3.8%
ER Visits Per 1000	261	255	2.3%	262	-0.4%
Office Visits For Medical Care Per 1000	4,117	4,116	0.0%	3,515	17.1%
Office Visits for Preventive Care Per 1000	439	438	0.1%	401	9.4%
Rx Scripts Per 1000	17,235	18,006	-4.3%	16-18,000	0%
Average Cost Per Script	\$89	\$83	7.1%		

* Verisk BOB Norms; Segal Rx Norms

2 Paid Claims Summary – ALL Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$794,924,896	\$99	23.0%	\$787,797,321	\$99	23.4%	0.4%
Inpatient Hospital	\$603,840,613	\$75	17.5%	\$598,837,480	\$75	17.8%	0.3%
Office	\$664,946,810	\$83	19.3%	\$655,203,968	\$82	19.5%	0.9%
Ambulatory Surgical Center	\$53,557,029	\$7	1.6%	\$48,005,055	\$6	1.4%	11.0%
Home	\$57,091,534	\$7	1.7%	\$55,025,234	\$7	1.6%	3.2%
All Others	\$254,476,814	\$32	7.4%	\$231,678,101	\$29	6.9%	9.3%
Total Medical	\$2,428,837,696	\$303	70.4%	\$2,376,547,158	\$298	70.6%	1.7%
Total Rx	\$1,020,044,673	\$127	29.6%	\$989,493,737	\$124	29.4%	2.5%
Total Paid	\$3,448,882,369	\$431	100.0%	\$3,366,040,896	\$423	100.0%	1.9%
Member Paid	\$744,386,622	\$93	21.6%	\$809,081,737	\$102	24.0%	-8.5%
Plan Paid	\$2,704,495,747	\$338	78.4%	\$2,556,959,158	\$321	76.0%	5.2%

4 Major Conditions – Prevalence and Cost ALL Members with Conditions

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in Paid
	Members	Paid	Members	Paid		
1. Diabetes	96,481	\$878,858,236	92,721	\$839,037,016	4.1%	4.7%
2. Coronary Artery Disease (CAD)	47,481	\$626,607,526	44,128	\$594,462,047	7.6%	5.4%
3. Asthma	55,083	\$374,634,256	45,397	\$305,994,888	21.3%	22.4%
4. Chronic Obstructive Pulmonary Disease (COPD)	29,516	\$380,659,894	25,859	\$333,258,296	14.1%	14.2%
5. Hypertension	253,355	\$1,880,082,706	240,961	\$1,773,605,311	5.1%	6.0%
6. Breast Cancer	13,643	\$193,070,757	12,666	\$179,700,723	7.7%	7.4%
7. Colon Cancer	2,554	\$57,671,300	2,290	\$56,299,807	11.5%	2.4%
8. Prostate Cancer	8,008	\$86,976,230	7,714	\$89,920,969	3.8%	-3.3%
9. At Risk Birth	3,086	\$38,194,592	3,172	\$36,549,433	-2.7%	4.5%
10. Normal Delivery	3,050	\$29,074,216	3,416	\$30,746,308	-10.7%	-5.4%

Members with co-morbidities and their corresponding claims are combined in each applicable category.

5 High Risk High Cost Analysis – ALL Members High Cost By Condition

Chronic Condition for High Cost Claimants*	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	4,415	\$68,526	4,461	\$70,883	-1.0%	-3.3%
2. Coronary Artery Disease (CAD)	2,824	\$71,749	3,071	\$72,599	-8.0%	-1.2%
3. Asthma	2,322	\$58,152	2,037	\$62,120	14.0%	-6.4%
4. Chronic Obstructive Pulmonary Disease (COPD)	1,606	\$74,995	1,599	\$75,922	0.4%	-1.2%
5. Hypertension	9,741	\$64,711	9,809	\$65,330	-0.7%	-0.9%
6. Breast Cancer	1,312	\$79,490	1,347	\$77,447	-2.6%	2.6%
7. Colon Cancer	361	\$100,325	368	\$103,983	-1.9%	-3.5%
8. Prostate Cancer	409	\$59,909	462	\$62,341	-11.5%	-3.9%
9. Birth	233	\$37,978	187	\$39,669	24.6%	-4.2%

*High Cost Claimants are above \$25,000

7 Summary of Prescription Drug Expenses – ALL Members

Category	Current Period	Prior Period	% Change	Norm*
Total Rx Paid Amount	\$1,020,044,673	\$989,493,737	3.1%	N/A
Prescriptions Written PMPY	17.2	18.0	-4.2%	
Total Rx Paid PMPY	\$1,529	\$1,491	2.6%	
Participant Cost Share	22.01%	25.47%	-13.6%	21% – 23%
Total Rx Plan Paid PMPY	\$1,193	1,111	7.4%	
PBM Generic Dispensing Rate	79%	77%	3.3%	72% – 75%
PBM Mail Order Rx Scripts	3%	3%	-1.8%	10%
Specialty RX Paid Amount	\$183,006,697	\$163,486,302	11.9%	

* Segal Rx Norms

6 Clinical Quality Performance – Active and Non-Medicare Retiree Members

Chronic Condition	Clinical Compliance Metrics	Individuals			NCOA Quality Compass National Average*
		Population	Compliance Rate Prior Period	Compliance Rate Current Period	
Diabetes	• Patient(s) that had at least 2 hemoglobin A1C tests in last 12 reported months**	54,775	62.33%	60.31%	87.30%
	• Patient(s) that had an annual screening test for diabetic nephropathy	54,775	41.17%	38.86%	77.90%
	• Patient(s) that had an annual screening test for diabetic retinopathy	54,775	90.86%	83.49%	48.40%
Coronary Artery Disease	• Patient(s) currently taking an ACE-inhibitor	17,409	41.98%	41.39%	78.80%
	• Patient(s) currently taking a statin	17,409	71.74%	69.72%	Not Available
Hyperlipidemia	• Patient(s) with a LDL cholesterol test in last 12 reported months	292,038	94.72%	95.38%	83.6%***
	• Patient(s) with a total cholesterol test in last 12 reported months	292,038	94.72%	95.40%	Not Available
Preventive Screening	• Cervical cancer	318,825	64.93%	66.35%	74.40%
	• Breast cancer	221,925	61.50%	63.06%	66.80%
	• Colorectal cancer	280,478	40.06%	42.69%	55.20%
	• Prostate cancer	98,672	20.74%	22.80%	Not Available
COPD	• Patients with spirometry testing in the last 12 months	11,278	43.79%	40.73%	40.40%
Asthma	• Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	42,526	67.99%	63.79%	91.70%

*Source: NCOA – State of Health Care Quality 2012 – Accredited Plans 2011 Commercial PPO Averages

**The NCOA HEDIS measure is based on one A1C test in the last 12 months whereas Segal measures two

***Represents cholesterol management for patients with cardiovascular conditions: LDL cholesterol screening

8 Prescription Drug Cost Management Analysis – ALL Members

Top 10 Rx Therapy Classes	Current Period		
	Total Paid Amount	% Generic by Count	PMPM
ANTIDEPRESSANTS	\$52,007,172	87%	\$6.50
DISEASE-MODIFYING ANTIRHEUMATIC AGENTS	\$51,065,661	20%	\$6.38
ANTINEOPLASTIC AGENTS	\$47,621,505	89%	\$5.95
INSULINS	\$46,594,849	0%	\$5.82
HMG-COA REDUCTASE INHIBITORS	\$42,129,331	82%	\$5.26
PROTON-PUMP INHIBITORS	\$40,122,546	59%	\$5.01
BIOLOGIC RESPONSE MODIFIERS	\$36,989,806	0%	\$4.62
ANGIOTENSIN II RECEPTOR ANTAGONISTS	\$27,347,544	71%	\$3.42
OPIATE AGONISTS	\$20,591,114	95%	\$2.57
ANTICONVULSANTS, MISCELLANEOUS	\$20,486,724	85%	\$2.56

First Quarter Comparison

The following two slides provide a comparison of the first quarter of the current and prior fiscal years (July through September).

Total paid claims for July 2013 – September 2013 increased 4.9% over the same period for the prior fiscal year. However, total plan payments increased 11.5%. This sharp increase in plan payments is partially attributable to the decrease in cost sharing percentages for plan members due to the half plan year.

Inpatient costs increased 2.6% but that was due to an increase in the cost per admission. Days per thousand decreased 4.2% but the average inpatient cost per day increased 8.3%. The decrease in inpatient hospital utilization is generating substantial savings for the plan.

Office visits for preventive care decreased 7.6% from the prior period. Increased preventive care may well be a positive indicator in utilization patterns. While utilization decreased almost across the board, the number of high cost claimants increased by 6.4%. This suggests that members may be more conservative with “discretionary” care which may then result in more costly episodes of care.

Total RX paid increased 9.8% which was almost entirely due to the 9.6% increase in the average cost of a prescription.

2 Paid Claims Summary – ALL Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$229,957,898	\$115	25.0%	\$214,210,479	\$108	24.7%	6.3%
Inpatient Hospital	\$170,493,637	\$85	18.5%	\$164,553,016	\$83	19.0%	2.6%
Office	\$176,835,197	\$88	19.2%	\$178,772,944	\$90	20.6%	-2.1%
Ambulatory Surgical Center	\$15,417,912	\$8	1.7%	\$13,213,975	\$7	1.5%	15.5%
Home	\$16,254,242	\$8	1.8%	\$14,950,474	\$8	1.7%	7.6%
All Others	\$68,535,657	\$34	7.5%	\$63,821,737	\$32	7.4%	6.3%
Total Medical	\$677,494,543	\$338	73.7%	\$649,522,626	\$327	74.9%	3.3%
Total Rx	\$241,626,110	\$120	26.3%	\$217,950,425	\$110	25.1%	9.8%
Total Paid	\$919,120,653	\$458	100.0%	\$867,473,051	\$437	100.0%	4.9%
Member Paid	\$186,288,152	\$93	20.3%	\$216,891,830	\$109	25.0%	-15.0%
Plan Paid	\$732,832,501	\$365	79.7%	\$650,581,221	\$328	75.0%	11.5%

2 Paid Claims Summary – Non-Medicare Retiree Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$43,785,699	\$222	28.8%	\$41,772,794	\$211	28.9%	5.3%
Inpatient Hospital	\$31,152,135	\$158	20.5%	\$29,779,692	\$151	20.6%	5.1%
Office	\$29,005,987	\$147	19.1%	\$29,577,037	\$150	20.5%	-1.5%
Ambulatory Surgical Center	\$2,559,201	\$13	1.7%	\$2,235,182	\$11	1.5%	15.0%
Home	\$2,378,581	\$12	1.6%	\$2,526,611	\$13	1.7%	-5.4%
All Others	\$8,932,396	\$45	5.9%	\$7,850,806	\$40	5.4%	14.3%
Total Medical	\$117,813,998	\$598	77.4%	\$113,742,121	\$575	78.7%	4.1%
Total Rx	\$34,412,969	\$175	22.6%	\$30,722,149	\$155	21.3%	12.5%
Total Paid	\$152,226,968	\$773	100.0%	\$144,464,270	\$730	100.0%	5.9%
Member Paid	\$26,553,459	\$135	17.4%	\$31,288,042	\$158	21.7%	-14.7%
Plan Paid	\$125,673,509	\$638	82.6%	\$113,176,228	\$572	78.3%	11.5%

2 Paid Claims Summary – Active Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$172,072,511	\$121	27.8%	\$159,045,122	\$113	27.0%	7.2%
Inpatient Hospital	\$128,931,236	\$90	20.8%	\$123,314,805	\$87	20.9%	3.6%
Office	\$134,088,064	\$94	21.6%	\$135,020,735	\$96	22.9%	-1.6%
Ambulatory Surgical Center	\$11,692,173	\$8	1.9%	\$9,814,007	\$7	1.7%	18.1%
Home	\$9,650,286	\$7	1.6%	\$9,006,442	\$6	1.5%	6.2%
All Others	\$50,930,528	\$36	8.2%	\$47,579,458	\$34	8.1%	6.1%
Total Medical	\$507,364,797	\$356	81.9%	\$483,780,569	\$342	82.2%	4.0%
Total Rx	\$112,009,508	\$79	18.1%	\$104,870,096	\$74	17.8%	5.9%
Total Paid	\$619,374,305	\$434	100.0%	\$588,650,665	\$417	100.0%	4.3%
Member Paid	\$117,811,556	\$83	19.0%	\$138,272,512	\$98	23.5%	-15.5%
Plan Paid	\$501,562,749	\$352	81.0%	\$450,378,153	\$319	76.5%	10.4%

2 Paid Claims Summary – Medicare Retiree Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$14,099,688	\$37	9.6%	\$13,392,563	\$36	10.0%	3.4%
Inpatient Hospital	\$10,410,266	\$27	7.1%	\$11,458,519	\$31	8.5%	-10.8%
Office	\$13,741,146	\$36	9.3%	\$14,175,172	\$38	10.6%	-4.8%
Ambulatory Surgical Center	\$1,166,538	\$3	0.8%	\$1,164,787	\$3	0.9%	-1.7%
Home	\$4,225,376	\$11	2.9%	\$3,417,421	\$9	2.5%	21.4%
All Others	\$8,672,734	\$23	5.9%	\$8,391,474	\$22	6.2%	1.5%
Total Medical	\$52,315,747	\$137	35.5%	\$51,999,936	\$139	38.7%	-1.2%
Total Rx	\$95,203,633	\$249	64.5%	\$82,358,180	\$219	61.3%	13.5%
Total Paid	\$147,519,380	\$386	100.0%	\$134,358,116	\$358	100.0%	7.8%
Member Paid	\$41,923,137	\$110	28.4%	\$47,331,276	\$126	35.2%	-13.0%
Plan Paid	\$105,596,243	\$276	71.6%	\$87,026,840	\$232	64.8%	19.1%

3 Key Healthcare Performance Metrics – ALL Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	668,223	662,038	0.9%	N/A	N/A
High Cost Claimants	3,759	3,534	6.4%	N/A	N/A
High Cost Claimants Total Paid	\$193,425,412	\$185,749,378	4.1%	N/A	N/A
Inpatient Days Per Thousand	408	426	-4.2%	365	11.8%
Average Inpatient Day Cost	\$3,365	\$3,108	8.3%	\$3,090	8.9%
Total Admissions Per 1000	85	89	-4.6%	76	12.3%
Readmissions Per 1000 (30 Day)	12.2%	13.1%	-6.5%	N/A	N/A
Average Cost Per Admission	\$16,089	\$14,805	8.7%	\$14,748	9.1%
ER Visits Per 1000	273	276	-1.1%	262	4.3%
Office Visits For Medical Care Per 1000	4,132	4,295	-3.8%	3,515	17.5%
Office Visits for Preventive Care Per 1000	521	564	-7.6%	401	30.0%
Rx Scripts Per 1000	15,725	15,694	0.2%	16-18,000	
Average Cost Per Script	\$92	\$84	9.6%		

3 Key Healthcare Performance Metrics – Active Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	475,184	471,013	0.9%	N/A	N/A
High Cost Claimants	2,749	2,563	7.3%	N/A	N/A
High Cost Claimants Total Paid	\$139,201,726	\$134,739,666	3.3%	N/A	N/A
Inpatient Days Per Thousand	252	255	-1.5%	250	0.8%
Average Inpatient Day Cost	\$3,669	\$3,396	8.0%	\$3,672	-0.1%
Total Admissions Per 1000	60	61	-2.7%	61	-1.5%
Readmissions Per 1000 (30 Day)	6.4%	6.8%	-5.8%	N/A	N/A
Average Cost Per Admission	\$15,491	\$14,167	9.4%	\$15,154	2.2%
ER Visits Per 1000	202	209	-3.6%	197	2.2%
Office Visits For Medical Care Per 1000	3,106	3,289	-5.6%	3,080	0.8%
Office Visits for Preventive Care Per 1000	639	693	-7.8%	383	67.0%
Rx Scripts Per 1000	10,039	10,504	-4.4%	9,853	
Average Cost Per Script	\$94	\$85	10.8%		

3 Key Healthcare Performance Metrics – Non-Medicare Retirees Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	65,648	65,946	-0.5%	N/A	N/A
High Cost Claimants	936	887	5.5%	N/A	N/A
High Cost Claimants Total Paid	\$50,018,749	\$46,026,249	8.7%	N/A	N/A
Inpatient Days Per Thousand	343	394	-13.0%	250	37.4%
Average Inpatient Day Cost	\$4,822	\$3,992	20.8%	\$3,672	31.3%
Total Admissions Per 1000	69	74	-7.0%	61	13.9%
Readmissions Per 1000 (30 Day)	14.4%	11.2%	28.5%	N/A	N/A
Average Cost Per Admission	\$24,018	\$21,241	13.1%	\$15,154	58.5%
ER Visits Per 1000	221	226	-2.2%	197	12.0%
Office Visits For Medical Care Per 1000	4,790	4,945	-3.1%	3,080	55.5%
Office Visits for Preventive Care Per 1000	561	587	-4.4%	383	46.6%
Rx Scripts Per 1000	21,178	20,593	2.8%	9,853	
Average Cost Per Script	\$99	\$90	9.4%		

3 Key Healthcare Performance Metrics – Medicare Retiree Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	127,392	125,080	1.8%	N/A	N/A
High Cost Claimants	41	27	51.9%	N/A	N/A
High Cost Claimants Total Paid	\$2,441,099	\$1,625,568	50.2%	N/A	N/A
Inpatient Days Per Thousand	1,026	1,085	-5.4%	1219	-15.8%
Average Inpatient Day Cost	\$2,836	\$2,684	5.7%	\$1,843	53.9%
Total Admissions Per 1000	190	204	-6.7%	171	11.2%
Readmissions Per 1000 (30 Day)	16.4%	17.9%	-8.5%	N/A	N/A
Average Cost Per Admission	\$15,306	\$14,293	7.1%	\$13,161	16.3%
ER Visits Per 1000	566	566	0.1%	274	106.7%
Office Visits For Medical Care Per 1000	7,618	7,892	-3.5%	6,163	23.6%
Office Visits for Preventive Care Per 1000	62	72	-14.3%	217	-71.6%
Rx Scripts Per 1000	8,531	8,163	4.5%	25,566	
Average Cost Per Script	\$88	\$81	8.6%		

* Verisk BOB Norms; Segal Rx Norms

SPOTLIGHT ON

Comorbidity - Asthma / Diabetes

	Members	Paid Prior	Paid Current	Prior Avg Paid Per Member	Current Avg Paid Per Member	Change in Avg Paid	Pct High Claimants (>25k)
Active + COBRA	2,590	\$ 29,257,430	\$ 35,450,587	\$ 11,296	\$ 13,687	21.2%	14.1%
Retiree - Non-Medicare	2,087	\$ 39,671,869	\$ 37,505,150	\$ 19,009	\$ 17,971	-5.5%	9.2%
Retiree - Medicare	2,910	\$ 43,851,161	\$ 45,973,453	\$ 15,069	\$ 15,798	4.8%	0.6%
TOTALS	7,587	\$ 112,780,460	\$ 118,929,190	\$ 14,865	\$ 15,675	5.5%	7.6%
TOTAL MEMBERSHIP	669,007	\$ 2,376,547,158	\$ 2,428,837,696	\$ 3,576	\$ 3,636	1.7%	2.5%

In an effort to identify candidates for focused medical management, we evaluated members who have been diagnosed with both asthma and diabetes. The group we looked at had claims in both the current and prior periods. They were diagnosed with their conditions prior to November 2011, so they were comorbid with these conditions for the entirety of the analysis periods. Only medical claims were considered, prescription drugs were not included in this analysis.

The average annual paid claims for this population is \$15,675 which is 331% more than the total population's average of \$3,640. While it is expected for a comorbid population to have substantially higher claims, the rate of increase in the active population warrants scrutiny. The average annual claims for this entire comorbid population increased 5.5% compared to 1.7% for the entire group. However, the active portion of this population increased 21.2% compared to 1.9% for the entire group. The sharp increase in paid claims for the active comorbid population is an indication that the plan will benefit from targeted management of this group.

Comorbid members are more likely to become high cost claimants than the rest of the population. Focusing management efforts on groups like this will help to control the trend in their paid claims as well as prevent some of them from becoming costly large claimants. Potential savings will be in avoidable E/R visits and hospital admissions.

With a large covered population, it is important to focus disease management efforts on members who are most likely to become costly in the future and have conditions that can be managed. The active members in this comorbid population meet that criteria. These findings should be discussed & coordinated with Active Health to monitor the effectiveness of their management of chronic conditions in these categories.

SPOTLIGHT ON

Comorbidity - Asthma / Diabetes

	Total Members									
	Current Period	<5K	5K-10K	10K-25K	25K-50K	50K-100K	100K-250K	250K-500K	500K+	
Active + COBRA	2,590	1,453	364	409	222	98	37	6	1	
Retiree - Non-Medicare	2,087	1,389	277	229	108	43	38	3		
Retiree - Medicare	2,910	2,516	251	126	11	4	2	-		
TOTALS	7,587	5,358	892	764	341	145	77	9	1	

	Total Members									
	Current Period	<5K	5K-10K	10K-25K	25K-50K	50K-100K	100K-250K	250K-500K	500K+	
Active + COBRA	2,590	56.1%	14.1%	15.8%	8.6%	3.8%	1.4%	0.2%	0.0%	
Retiree - Non-Medicare	2,087	66.6%	13.3%	11.0%	5.2%	2.1%	1.8%	0.1%	0.0%	
Retiree - Medicare	2,910	86.5%	8.6%	4.3%	0.4%	0.1%	0.1%	0.0%	0.0%	
TOTALS	7,587	70.6%	11.8%	10.1%	4.5%	1.9%	1.0%	0.1%	0.0%	

The first table above shows the number of members by annual claim amount in the current period. The second table shows the percentage of members who fall into each claim amount category.

The active population has a significantly higher percentage of members in the larger claims categories. With their total claims increasing 21.2% over the prior period we can expect to see the number of large claimants, in this group, increase substantially. Closely monitoring and managing this group should yield significant savings. This should be a priority for Active Health in their ongoing efforts.

Appendix

- [Dashboard Overview](#)
- [Objective of Dashboard Panels](#)
- [Ongoing Use of Dashboard](#)
- [Dashboard - Active Members](#)
- [Dashboard - Non-Medicare Retirees](#)
- [Dashboard - Medicare Retirees](#)
- [Definitions](#)

Dashboard Overview

The purpose of this monthly dashboard is to:

- Highlight key metrics for the Board to monitor progress against strategic opportunities.
- Provide a mechanism to track:
 - **Claims and trends:** determine cost trend drivers plus analyze data on effective alternatives to manage those trends.
 - **Utilization metrics vs. benchmark:** compare the plan's utilization to benchmarks and desired targets.
 - **Population health status:** assess disease burden and recommend solutions to lessen future trend increases; Uncover opportunities for the plan to better control plan cost and improve the health of the covered population.

Methodology/Definitions

- Source of data includes eligibility as well as inpatient, outpatient and professional claims from SHPNC's SAS data warehouse. Pharmacy claims data was captured from Express Scripts.
- Generally, financial metrics are reported on a total cost basis (i.e., total cost includes plan paid and member cost sharing). This allows for tracking of population health status for improvement over time.
- Claims are reported on a paid basis for the periods November 1, 2012 – October 31, 2013 (current period) and November 1, 2011 – October 31, 2012 (prior period).

Norms / Benchmarks

- Where benchmarks are shown, we are using the book-of-business trends reported to us by our data warehouse partner, Verisk Health. Their database represents in excess of 10 million lives across plan types. Benchmark data was adjusted on a regional basis by actives/non-Medicare retirees vs. Medicare retirees.
- We also utilized Segal book of business benchmarks for pharmacy norms.
- In certain instances, we use NCQA HEDIS benchmarks for accredited commercial PPO plans, which are nationally recognized health care data standards.

Objective of Dashboard Panels

1. Principal Financial Trends

Objective: Provide the Board with a visual representation of how claims are trending over the short term.

- Seasonality in claims paid is expected with the highest monthly claims generally occurring in winter; 6-month rolling average is used to smooth the effect of seasonality.
- Monthly claims can fluctuate at the beginning and end of a plan year as members determine if their contribution to the out-of-pocket maximum warrants getting medical treatment in the current year or waiting until the next plan year.

2. Paid Claims Summary

Objective: Provide the Board with a comparative overview of claims based on treatment setting.

Place of Service can be helpful when investigating changes in utilization patterns or when trying to understand the impact of plan design changes. For example, outpatient experience and office visits may increase and inpatient hospital services decrease as participants are encouraged with copays waived under the PCMH outpatient setting.

3. Key Healthcare Performance Metrics

Objective: Provide the Board with some key comparative utilization metrics to track sources of claims increases

This table allows the plan to understand whether changes in cost are driven by price or change in utilization.

4. Major Chronic Conditions—Prevalence and Cost

Objective: Provide the Board metrics to monitor the cost and utilization of chronic conditions.

5. High Risk High Cost Analysis High Cost by Condition

Objective: Provide the Board with key metrics to monitor cost and utilization of high risk and high cost chronic conditions. Target high risk groups for medical management interventions

6. Clinical Quality Performance

Objective: Provide the Board with clinical metrics related to preventive screening, treatment compliance rates, and quality of care performance measures. This report enables the plan to determine the degree to which participants are receiving adequate care from an NCQA / HEDIS perspective.

7. Summary of Prescription Drug Expenses

Objective: Provide the Board with metrics to evaluate year-over-year growth in pharmacy spend, cost and utilization.

This report enables the plan to determine the degree to which a current drug benefit design is having in terms of cost and utilization. It showcases the degree to which cost-sharing options may be meeting expected targets or when cost sharing may be prohibitive.

8. Prescription Drug Cost Management Analysis

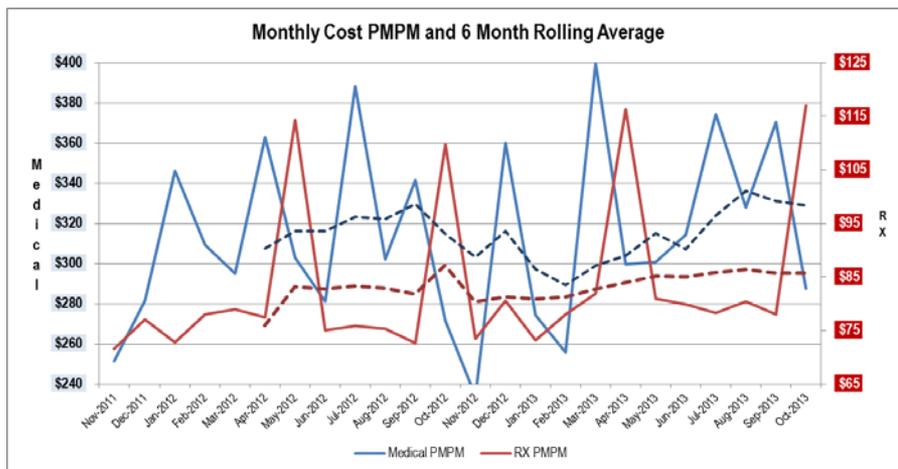
Objective: Provide the Board with a list of the top 10 therapeutic drug classes that are driving pharmacy claim expenses.

It enables the plan to determine what categories of drugs are driving utilization and cost over time. The plan can then determine if previous benefits design changes (i.e., cost sharing) have had their desired effect or if additional benefit changes within the pharmacy benefit plan are required.

Ongoing Use of the Dashboard

- View the current dashboard as a starting point
- Dashboard metrics can be added to be current with ongoing Board objectives
- Of key value will be to add performance metrics to monitor the progress vendors are making to support the strategic objectives of the SHP
- Provide insights into plan design alternatives that could be used to encourage behavioral change that will lower risk factors
- Monitor the effectiveness of efforts by vendors to support SHP participants in their efforts to improve their person health and lower health risk factors

1 Principal Financial Trends – Claims Cost Active Members



2 Paid Claims Summary – Active Members

	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Place of Service							
Outpatient Hospital	\$585,630,073	\$103	25.8%	\$581,832,140	\$102	25.9%	0.9%
Inpatient Hospital	\$448,933,199	\$79	19.7%	\$449,976,238	\$79	20.1%	0.0%
Office	\$496,250,350	\$87	21.8%	\$490,248,989	\$86	21.9%	1.4%
Ambulatory Surgical Center	\$38,945,398	\$7	1.7%	\$35,058,283	\$6	1.6%	11.3%
Home	\$33,044,058	\$6	1.5%	\$33,087,150	\$6	1.5%	0.1%
All Others	\$190,744,831	\$34	8.4%	\$173,930,458	\$30	7.8%	9.9%
Total Medical	\$1,793,547,910	\$315	78.9%	\$1,764,133,258	\$309	78.6%	1.9%
Total Rx	\$480,665,185	\$84	21.1%	\$479,067,633	\$84	21.4%	0.5%
Total Paid	\$2,274,213,094	\$400	100.0%	\$2,243,200,891	\$393	100.0%	1.6%
Member Paid	\$467,374,251	\$82	20.6%	\$508,741,857	\$89	22.7%	-7.9%
Plan Paid	\$1,806,838,843	\$317	79.4%	\$1,734,459,034	\$304	77.3%	4.4%

3 Key Healthcare Performance Metrics – Active Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	474,288	475,304	-0.2%	N/A	N/A
High Cost Claimants	12,420	12,090	2.7%	N/A	N/A
High Cost Claimants Total Paid	\$749,540,542	\$736,822,657	1.7%	N/A	N/A
Inpatient Days Per Thousand	221	229	-3.6%	250	-11.4%
Average Inpatient Day Cost	\$3,556	\$3,418	4.0%	\$3,672	-3.2%
Total Admissions Per 1000	54	55	-2.2%	61	-11.3%
Readmissions Per 1000 (30 Day)	7.7%	8.5%	-9.2%	N/A	N/A
Average Cost Per Admission	\$14,650	\$14,284	2.6%	\$15,154	-3.3%
ER Visits Per 1000	197	194	1.3%	197	-0.2%
Office Visits For Medical Care Per 1000	3,210	3,223	-0.4%	3,080	4.2%
Office Visits for Preventive Care Per 1000	530	525	1.0%	383	38.6%
Rx Scripts Per 1000	11,594	12,238	-5.3%	9,853	0%
Average Cost Per Script	\$87	\$82	6.1%		

* Verisk BOB Norms; Segal Rx Norms

4 Major Conditions – Prevalence and Cost Active Members with Conditions

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in Paid
	Members	Paid	Members	Paid		
1. Diabetes	39,481	\$309,116,912	39,093	\$302,861,054	1.0%	2.1%
2. Coronary Artery Disease (CAD)	11,370	\$151,978,786	10,927	\$155,345,263	4.1%	-2.2%
3. Asthma	36,767	\$186,323,504	30,515	\$157,393,597	20.5%	18.4%
4. Chronic Obstructive Pulmonary Disease (COPD)	7,849	\$88,639,885	6,738	\$79,607,495	16.5%	11.3%
5. Hypertension	111,855	\$710,518,351	109,018	\$691,002,571	2.6%	2.8%
6. Breast Cancer	4,367	\$83,781,677	4,247	\$82,651,458	2.8%	1.4%
7. Colon Cancer	732	\$22,933,603	662	\$23,085,152	10.6%	-0.7%
8. Prostate Cancer	1,712	\$21,477,830	1,762	\$22,589,907	-2.8%	-4.9%
9. At Risk Birth	3,069	\$38,138,804	3,163	\$36,495,104	-3.0%	4.5%
10. Normal Delivery	3,030	\$28,986,404	3,390	\$30,647,042	-10.6%	-5.4%

Members with co-morbidities and their corresponding claims are combined in each applicable category.

5 High Risk High Cost Analysis – Active Members High Cost By Condition

Chronic Condition for High Cost Claimants*	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	3,047	\$66,621	3,100	\$67,618	-1.7%	-1.5%
2. Coronary Artery Disease (CAD)	1,884	\$70,315	2,028	\$72,371	-7.1%	-2.8%
3. Asthma	1,755	\$57,181	1,611	\$60,895	8.9%	-6.1%
4. Chronic Obstructive Pulmonary Disease (COPD)	1,030	\$74,776	1,030	\$75,031	0.0%	-0.3%
5. Hypertension	6,872	\$63,275	6,985	\$64,036	-1.6%	-1.2%
6. Breast Cancer	935	\$80,566	964	\$79,984	-3.0%	0.7%
7. Colon Cancer	241	\$100,254	246	\$103,617	-2.0%	-3.2%
8. Prostate Cancer	286	\$60,867	298	\$63,166	-4.0%	-3.6%
9. Birth	232	\$37,977	185	\$39,735	25.4%	-4.4%

*High Cost Claimants are above \$25,000

6 Clinical Quality Performance – Active Members

Chronic Condition	Clinical Compliance Metrics	Individuals			NCOA Quality Compass National Average*
		Population	Compliance Rate Prior Period	Compliance Rate Current Period	
Diabetes	• Patient(s) that had at least 2 hemoglobin A1C tests in last 12 reported months**	39,481	62.14%	60.00%	87.30%
	• Patient(s) that had an annual screening test for diabetic nephropathy	39,481	41.91%	39.38%	77.90%
	• Patient(s) that had an annual screening test for diabetic retinopathy	39,481	91.53%	83.57%	48.40%
Coronary Artery Disease	• Patient(s) currently taking an ACE-inhibitor	11,370	40.92%	40.57%	78.80%
	• Patient(s) currently taking a statin	11,370	68.12%	66.04%	Not Available
Hyperlipidemia	• Patient(s) with a LDL cholesterol test in last 12 reported months	231,816	95.10%	95.66%	83.6%***
	• Patient(s) with a total cholesterol test in last 12 reported months	231,816	95.11%	95.69%	Not Available
Preventive Screening	• Cervical cancer	243,059	71.92%	73.35%	74.40%
	• Breast cancer	148,701	67.82%	69.86%	66.80%
	• Colorectal cancer	134,919	53.28%	57.01%	55.20%
	• Prostate cancer	49,400	26.56%	29.40%	Not Available
COPD	• Patients with spirometry testing in the last 12 months	7,849	43.16%	39.47%	40.40%
Asthma	• Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	36,767	66.20%	62.11%	91.70%

*Source: NCOA – State of Health Care Quality 2012 – Accredited Plans 2011 Commercial PPO Averages

**The NCOA HEDIS measure is based on one A1C test in the last 12 months whereas Segal measures two

***Represents cholesterol management for patients with cardiovascular conditions: LDL cholesterol screening

7 Summary of Prescription Drug Expenses – Active Members

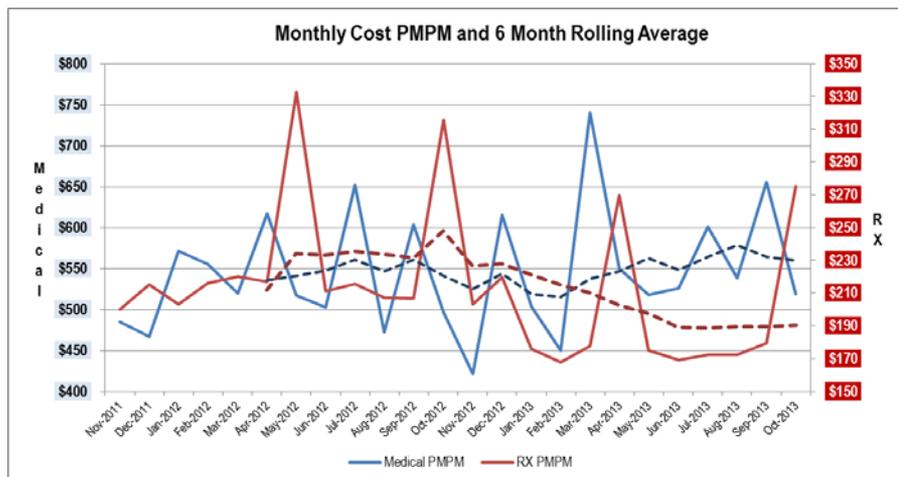
Category	Current Period	Prior Period	% Change	Norm*
Total Rx Paid Amount	\$480,665,185	\$479,067,633	0.3%	N/A
Prescriptions Written PMPY	11.6	12.2	-5.3%	
Total Rx Paid PMPY	\$1,013	\$1,008	0.5%	
Participant Cost Share	22.89%	25.06%	-8.7%	21% – 23%
Total Rx Plan Paid PMPY	\$781	755	3.5%	
PBM Generic Dispensing Rate	80%	78%	2.6%	72% – 75%
PBM Mail Order Rx Scripts	1%	1%	0.0%	10%
Specialty RX Paid Amount	\$92,873,129	\$87,834,545	5.7%	

* Segal Rx Norms

8 Prescription Drug Cost Management Analysis – Active Members

Top 10 Rx Therapy Classes	Current Period		
	Total Paid Amount	% Generic by Count	PMPM
DISEASE-MODIFYING ANTIRHEUMATIC AGENTS	\$30,802,230	13%	\$5.41
ANTIDEPRESSANTS	\$28,889,612	88%	\$5.08
BIOLOGIC RESPONSE MODIFIERS	\$21,587,719	0%	\$3.79
INSULINS	\$19,513,735	0%	\$3.43
PROTON-PUMP INHIBITORS	\$16,809,987	58%	\$2.95
ANTINEOPLASTIC AGENTS	\$15,367,495	90%	\$2.70
HMG-COA REDUCTASE INHIBITORS	\$15,216,602	80%	\$2.67
CONTRACEPTIVES	\$13,692,071	84%	\$2.41
ANTIRETROVIRALS	\$12,660,147	5%	\$2.22
ANGIOTENSIN II RECEPTOR ANTAGONISTS	\$10,076,325	71%	\$1.77

1 Principal Financial Trends – Claims Cost Non-Medicare Retiree Members



2 Paid Claims Summary – Non-Medicare Retiree Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$158,693,996	\$202	27.3%	\$158,350,369	\$201	28.2%	0.3%
Inpatient Hospital	\$114,981,507	\$146	19.8%	\$110,428,585	\$141	19.7%	4.2%
Office	\$109,116,590	\$139	18.8%	\$107,900,379	\$137	19.2%	1.2%
Ambulatory Surgical Center	\$10,096,578	\$13	1.7%	\$8,709,439	\$11	1.6%	16.0%
Home	\$8,995,153	\$11	1.5%	\$8,861,132	\$11	1.6%	1.6%
All Others	\$32,410,284	\$41	5.6%	\$28,647,100	\$36	5.1%	13.2%
Total Medical	\$434,294,108	\$553	74.7%	\$422,897,004	\$538	75.3%	2.7%
Total Rx	\$146,961,011	\$187	25.3%	\$138,667,035	\$176	24.7%	6.0%
Total Paid	\$581,255,120	\$740	100.0%	\$561,564,039	\$715	100.0%	3.6%
Member Paid	\$105,056,177	\$134	18.1%	\$113,010,816	\$144	20.1%	-7.0%
Plan Paid	\$476,198,943	\$606	81.9%	\$448,553,223	\$571	79.9%	6.2%

3 Key Healthcare Performance Metrics – Non-Medicare Retiree Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	65,456	65,488	0.0%	N/A	N/A
High Cost Claimants	3,633	3,579	1.5%	N/A	N/A
High Cost Claimants Total Paid	\$242,341,689	\$237,095,708	2.2%	N/A	N/A
Inpatient Days Per Thousand	352	365	-3.7%	250	40.9%
Average Inpatient Day Cost	\$4,328	\$3,988	8.5%	\$3,672	17.9%
Total Admissions Per 1000	68	69	-1.8%	61	11.9%
Readmissions Per 1000 (30 Day)	15.4%	13.5%	14.0%	N/A	N/A
Average Cost Per Admission	\$22,503	\$21,140	6.4%	\$15,154	48.5%
ER Visits Per 1000	208	203	2.3%	197	5.4%
Office Visits For Medical Care Per 1000	4,703	4,686	0.4%	3,080	52.7%
Office Visits for Preventive Care Per 1000	512	501	2.3%	383	33.8%
Rx Scripts Per 1000	23,347	23,753	-1.7%	9,853	0%
Average Cost Per Script	\$96	\$89	7.9%		

* Verisk BOB Norms; Segal Rx Norms

4 Major Conditions – Prevalence and Cost Non-Medicare Retiree Members with Conditions

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in Paid
	Members	Paid	Members	Paid		
1. Diabetes	15,294	\$129,957,255	16,877	\$142,522,408	-9.4%	-8.8%
2. Coronary Artery Disease (CAD)	6,039	\$76,929,950	7,025	\$96,754,424	-14.0%	-20.5%
3. Asthma	5,759	\$46,186,610	6,109	\$44,962,395	-5.7%	2.7%
4. Chronic Obstructive Pulmonary Disease (COPD)	3,429	\$44,042,419	4,006	\$49,611,609	-14.4%	-11.2%
5. Hypertension	39,665	\$275,459,216	44,722	\$297,051,573	-11.3%	-7.3%
6. Breast Cancer	2,240	\$32,803,999	2,447	\$38,452,050	-8.5%	-14.7%
7. Colon Cancer	364	\$10,472,618	414	\$14,290,066	-12.1%	-26.7%
8. Prostate Cancer	1,009	\$9,165,747	1,261	\$14,845,484	-20.0%	-38.3%

5 High Risk High Cost Analysis – Non-Medicare Retiree Members High Cost By Condition

Chronic Condition for High Cost Claimants*	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	1,248	\$75,286	1,249	\$79,886	-0.1%	-5.8%
2. Coronary Artery Disease (CAD)	845	\$77,985	956	\$74,791	-11.6%	4.3%
3. Asthma	516	\$63,088	400	\$67,955	29.0%	-7.2%
4. Chronic Obstructive Pulmonary Disease (COPD)	481	\$80,407	499	\$80,230	-3.6%	0.2%
5. Hypertension	2,663	\$69,392	2,657	\$69,089	0.2%	0.4%
6. Breast Cancer	357	\$78,849	368	\$72,336	-3.0%	9.0%
7. Colon Cancer	108	\$107,627	117	\$107,512	-7.7%	0.1%
8. Prostate Cancer	111	\$59,750	158	\$61,806	-29.7%	-3.3%

*High Cost Claimants are above \$25,000

7 Summary of Prescription Drug Expenses – Non-Medicare Retiree Members

Category	Current Period	Prior Period	% Change	Norm*
Total Rx Paid Amount	\$146,961,011	\$138,667,035	6.0%	N/A
Prescriptions Written PMPY	23.3	23.8	-1.7%	
Total Rx Paid PMPY	\$2,245	\$2,117	6.0%	
Participant Cost Share	21.89%	24.74%	-11.5%	21% – 23%
Total Rx Plan Paid PMPY	\$1,754	1,594	10.1%	
PBM Generic Dispensing Rate	77%	74%	4.1%	72% – 75%
PBM Mail Order Rx Scripts	5%	5%	0.0%	10%
Specialty RX Paid Amount	\$26,549,651	\$23,406,421	13.4%	

* Segal Rx Norms

6 Clinical Quality Performance – Non-Medicare Retiree Members

Chronic Condition	Clinical Compliance Metrics	Individuals			NCOA Quality Compass National Average*
		Population	Compliance Rate Prior Period	Compliance Rate Current Period	
Diabetes	• Patient(s) that had at least 2 hemoglobin A1C tests in last 12 reported months**	15,294	56.20%	61.10%	87.30%
	• Patient(s) that had an annual screening test for diabetic nephropathy	15,294	35.11%	37.52%	77.90%
	• Patient(s) that had an annual screening test for diabetic retinopathy	15,294	79.74%	83.31%	48.40%
Coronary Artery Disease	• Patient(s) currently taking an ACE-inhibitor	6,039	35.60%	42.94%	78.80%
	• Patient(s) currently taking a statin	6,039	63.63%	76.65%	Not Available
Hyperlipidemia	• Patient(s) with a LDL cholesterol test in last 12 reported months	60,222	82.92%	94.28%	83.6%***
	• Patient(s) with a total cholesterol test in last 12 reported months	60,222	82.91%	94.27%	Not Available
	• Cervical cancer	42,364	72.61%	78.52%	74.40%
Preventive Screening	• Breast cancer	39,922	85.39%	90.36%	66.80%
	• Colorectal cancer	58,771	64.32%	72.86%	55.20%
	• Prostate cancer	19,414	35.49%	41.05%	Not Available
	• Patients with spirometry testing in the last 12 months	3,429	33.60%	43.60%	40.40%
Asthma	• Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	5,759	60.52%	74.53%	91.70%

*Source: NCOA – State of Health Care Quality 2012 – Accredited Plans 2011 Commercial PPO Averages

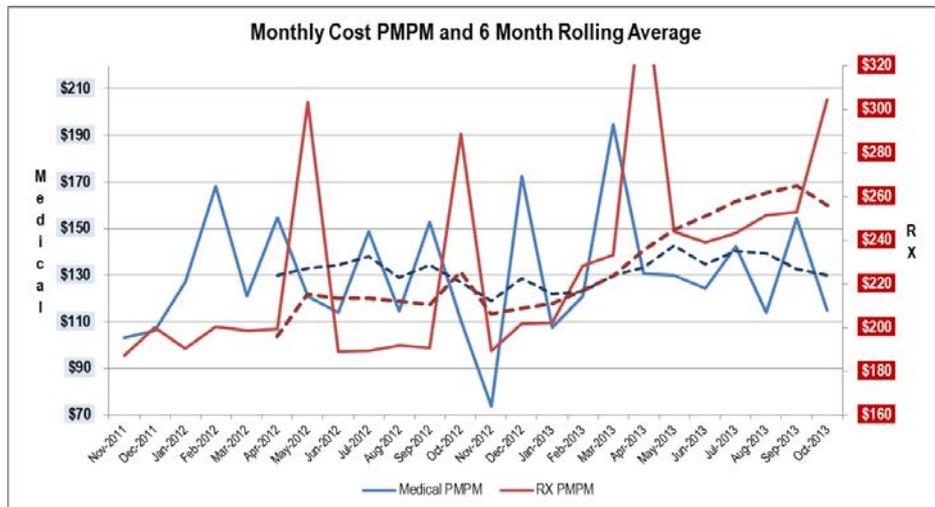
**The NCOA HEDIS measure is based on one A1C test in the last 12 months whereas Segal measures two

***Represents cholesterol management for patients with cardiovascular conditions: LDL cholesterol screening

8 Prescription Drug Cost Management Analysis – Non-Medicare Retiree Members

Top 10 Rx Therapy Classes	Current Period		
	Total Paid Amount	% Generic by Count	PMPM
ANTIDEPRESSANTS	\$8,245,577	85%	\$10.50
HMG-COA REDUCTASE INHIBITORS	\$7,482,439	79%	\$9.53
INSULINS	\$7,342,967	0%	\$9.35
DISEASE-MODIFYING ANTIRHEUMATIC AGENTS	\$7,111,154	24%	\$9.05
ANTINEOPLASTIC AGENTS	\$7,048,040	90%	\$8.97
PROTON-PUMP INHIBITORS	\$6,699,537	53%	\$8.53
BIOLOGIC RESPONSE MODIFIERS	\$6,049,185	0%	\$7.70
ANGIOTENSIN II RECEPTOR ANTAGONISTS	\$4,284,015	69%	\$5.45
OPIATE AGONISTS	\$3,561,841	94%	\$4.53
DIPEPTIDYL PEPTIDASE-4(DPP-4) INHIBITORS	\$3,427,611	0%	\$4.36

1 Principal Financial Trends – Claims Cost Medicare Retiree Members



2 Paid Claims Summary – Medicare Retiree Members

Place of Service	Current Period			Prior Period			% Change in PMPM
	Total Paid Amount	Total Paid PMPM	% of Total PMPM	Total Paid Amount	Total Paid PMPM	% of Total PMPM	
Outpatient Hospital	\$50,600,827	\$33	8.5%	\$47,614,812	\$32	8.5%	2.7%
Inpatient Hospital	\$39,925,906	\$26	6.7%	\$38,432,657	\$26	6.8%	0.4%
Office	\$59,579,871	\$39	10.0%	\$57,054,601	\$39	10.2%	0.9%
Ambulatory Surgical Center	\$4,515,052	\$3	0.8%	\$4,237,333	\$3	0.8%	3.0%
Home	\$15,052,324	\$10	2.5%	\$13,076,952	\$9	2.3%	11.3%
All Others	\$31,321,699	\$21	5.3%	\$29,100,542	\$20	5.2%	4.0%
Total Medical	\$200,995,678	\$132	33.9%	\$189,516,896	\$128	33.8%	2.5%
Total Rx	\$392,418,477	\$257	66.1%	\$371,759,068	\$252	66.2%	2.0%
Total Paid	\$593,414,155	\$389	100.0%	\$561,275,965	\$381	100.0%	2.2%
Member Paid	\$171,956,194	\$113	29.0%	\$187,329,064	\$127	33.4%	-11.3%
Plan Paid	\$421,457,961	\$276	71.0%	\$373,946,901	\$254	66.6%	8.9%

3 Key Healthcare Performance Metrics – Medicare Retiree Members

Category	Current Period	Prior Period	% Change	Norm*	Comparison to Norm
Average Membership Per Month	127,178	122,921	3.5%	N/A	N/A
High Cost Claimants	255	221	15.4%	N/A	N/A
High Cost Claimants Total Paid	\$15,356,575	\$14,117,399	8.8%	N/A	N/A
Inpatient Days Per Thousand	994	968	2.6%	1219	-18.5%
Average Inpatient Day Cost	\$2,727	\$2,663	2.4%	\$1,843	48.0%
Total Admissions Per 1000	185	186	-0.8%	171	8.1%
Readmissions Per 1000 (30 Day)	21.1%	23.0%	-8.0%	N/A	N/A
Average Cost Per Admission	\$14,662	\$13,842	5.9%	\$13,161	11.4%
ER Visits Per 1000	527	516	2.1%	274	92.4%
Office Visits For Medical Care Per 1000	7,210	7,263	-0.7%	6,163	17.0%
Office Visits for Preventive Care Per 1000	62	69	-9.8%	217	-71.4%
Rx Scripts Per 1000	35,174	37,249	-5.6%	25,566	0%
Average Cost Per Script	\$88	\$81	8.0%		

* Verisk BOB Norms; Segal Rx Norms

4 Major Conditions – Prevalence and Cost Medicare Retiree Members with Conditions

Chronic Condition	Current Period		Prior Period		% Change in Members	% Change in Paid
	Members	Paid	Members	Paid		
1. Diabetes	41,706	\$439,784,069	38,532	\$405,466,762	8.2%	8.5%
2. Coronary Artery Disease (CAD)	30,072	\$397,698,790	27,520	\$364,131,441	9.3%	9.2%
3. Asthma	12,557	\$142,124,142	10,251	\$112,326,735	22.5%	26.5%
4. Chronic Obstructive Pulmonary Disease (COPD)	18,238	\$247,977,590	16,145	\$215,133,815	13.0%	15.3%
5. Hypertension	101,835	\$894,105,139	93,464	\$818,653,254	9.0%	9.2%
6. Breast Cancer	7,036	\$76,485,081	6,276	\$65,761,878	12.1%	16.3%
7. Colon Cancer	1,458	\$24,265,079	1,296	\$22,353,333	12.5%	8.6%
8. Prostate Cancer	5,287	\$56,332,653	4,893	\$55,334,591	8.1%	1.8%

5 High Risk High Cost Analysis – Medicare Retiree Members High Cost By Condition

Chronic Condition for High Cost Claimants*	Current Period		Prior Period		% Change in Members	% Change in PMPY
	Members	PMPY	Members	PMPY		
1. Diabetes	120	\$46,583	112	\$60,840	7.1%	-23.4%
2. Coronary Artery Disease (CAD)	95	\$44,721	87	\$53,831	9.2%	-16.9%
3. Asthma	51	\$41,633	26	\$48,249	96.2%	-13.7%
4. Chronic Obstructive Pulmonary Disease (COPD)	95	\$49,972	70	\$58,316	35.7%	-14.3%
5. Hypertension	206	\$52,119	167	\$59,653	23.4%	-12.6%
6. Breast Cancer	20	\$40,602	15	\$39,777	33.3%	2.1%
7. Colon Cancer	12	\$36,036	5	\$39,424	140.0%	-8.6%
8. Prostate Cancer	12	\$38,568	6	\$35,497	100.0%	8.7%

*High Cost Claimants are above \$25,000

7 Summary of Prescription Drug Expenses – Medicare Retiree Members

Category	Current Period	Prior Period	% Change	Norm*
Total Rx Paid Amount	\$392,418,477	\$371,759,068	5.6%	N/A
Prescriptions Written PMPY	35.2	37.2	-5.6%	
Total Rx Paid PMPY	\$3,086	\$3,024	2.0%	
Participant Cost Share	20.96%	26.25%	-20.1%	21% – 23%
Total Rx Plan Paid PMPY	\$2,439	2,230	9.3%	
PBM Generic Dispensing Rate	79%	76%	3.9%	72% – 75%
PBM Mail Order Rx Scripts	5%	5%	0.0%	10%
Specialty RX Paid Amount	\$63,583,916	\$52,245,335	21.7%	

* Segal Rx Norms

6 Clinical Quality Performance – Medicare Retiree Members

Chronic Condition	Clinical Compliance Metrics	Individuals			NCOA Quality Compass National Average*
		Population	Compliance Rate Prior Period	Compliance Rate Current Period	
Diabetes	• Patient(s) that had at least 2 hemoglobin A1C tests in last 12 reported months**	41,706	25.37%	28.02%	87.30%
	• Patient(s) that had an annual screening test for diabetic nephropathy	41,706	22.41%	23.05%	77.90%
	• Patient(s) that had an annual screening test for diabetic retinopathy	41,706	87.64%	84.10%	48.40%
Coronary Artery Disease	• Patient(s) currently taking an ACE-inhibitor	30,072	44.34%	44.60%	78.80%
	• Patient(s) currently taking a statin	30,072	80.14%	80.45%	Not Available
Hyperlipidemia	• Patient(s) with a LDL cholesterol test in last 12 reported months	97,006	50.10%	58.25%	83.6%***
	• Patient(s) with a total cholesterol test in last 12 reported months	97,006	47.70%	56.03%	Not Available
Preventive Screening	• Cervical cancer	33,402	51.73%	65.18%	74.40%
	• Breast cancer	33,302	69.08%	83.82%	66.80%
	• Colorectal cancer	86,788	64.98%	75.18%	55.20%
	• Prostate cancer	29,858	18.62%	25.39%	Not Available
COPD	• Patients with spirometry testing in the last 12 months	18,238	42.13%	42.51%	40.40%
Asthma	• Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months	12,557	85.42%	81.33%	91.70%

*Source: NCOA – State of Health Care Quality 2012 – Accredited Plans 2011 Commercial PPO Averages

**The NCOA HEDIS measure is based on one A1C test in the last 12 months whereas Segal measures two

***Represents cholesterol management for patients with cardiovascular conditions: LDL cholesterol screening

8 Prescription Drug Cost Management Analysis – Medicare Retiree Members

Top 10 Rx Therapy Classes	Current Period		
	Total Paid Amount	% Generic by Count	PMPM
ANTINEOPLASTIC AGENTS	\$25,205,970	89%	\$16.52
INSULINS	\$19,738,146	0%	\$12.93
HMG-COA REDUCTASE INHIBITORS	\$19,430,290	84%	\$12.73
PROTON-PUMP INHIBITORS	\$16,613,021	61%	\$10.89
ANTIDEPRESSANTS	\$14,871,983	87%	\$9.74
DISEASE-MODIFYING ANTIRHEUMATIC AGENTS	\$13,152,277	36%	\$8.62
ANGIOTENSIN II RECEPTOR ANTAGONISTS	\$12,987,204	72%	\$8.51
BIOLOGIC RESPONSE MODIFIERS	\$9,352,902	0%	\$6.13
OPIATE AGONISTS	\$8,843,481	95%	\$5.79
DIPEPTIDYL PEPTIDASE-4(DPP-4) INHIBITORS	\$8,488,252	0%	\$5.56

Data Dictionary/Definitions

1. Principal Financial Trends

Monthly Cost PMPM – total paid PMPM includes plan paid and member cost sharing; removed COB from Medicare Retirees

2. Paid Claims Summary

Total Paid Amount / Total Paid PMPM – financial metrics are reported on a total cost basis (i.e., total cost includes plan paid and member cost sharing); removed COB from Medicare Retirees

Outpatient – identified by using their claim type identifier (clmtyp='OUTP')

Inpatient – identified by using their claim type identifier (clmtyp='INPT')

Office – identified using Place of Service Code = 11

Ambulatory Surgical Center – identified using Place of Service Code = 24

Home – identified using Place of Service Code = 12

All Others – Total Medical Dollars minus (OutP+IP+Office+ASC+Home)

3. Key Healthcare Performance Metrics

Average membership – sum of the monthly membership for the 12 month period) divided by 12

High Cost Claimants – those that exceed \$25,000 in total medical claims during the period. Rx is not included because we could not tie the RX and medical claims together due to eligibility insufficiency.

All “Per 1000” numbers use the average membership divided by 1000 as the denominator

Inpatient - includes POS code 21; excludes any claims when the total paid amount (member+plan) for the entire “stay” was less than \$500 to eliminate low outliers.

Preventive visits – defined as Place of Service = 11 AND CPT Code included in ('99381', '99382', '99383', '99384', '99385', '99386', '99387', '99391', '99392', '99393', '99394', '99395', '99396', '99397', '99401', '99402', '99403', '99404', '99411', '99412')

ER visits – defined as Place of Service Code 23

Office Visits for Medical Care – defined as Place of Service 11 for all codes EXCEPT those defined above as Preventive

4. Major Chronic Conditions

Asthma – members who have ever had a claim with at least one occurrence of an ICD diagnosis code that begins with 493

Breast Cancer - members who have ever had a claim with at least one occurrence of any of the following ICD diagnosis codes (174.0, 174.1, 174.2, 174.3, 174.4, 174.5, 174.6, 174.8, 174.9, 175.0, 175.9)

Cervical Cancer - members who have ever had a claim with at least one occurrence of any of the following ICD diagnosis codes (180.0,180.1,180.8,180.9)

COPD - members who have ever had a claim with at least one occurrence of any of the following ICD diagnosis codes (491, 492, 493.2x, 494, 496)

Colon Cancer – members who have ever had a claim with at least one occurrence of any of the following ICD diagnosis codes (153.0, 153.1, 153.2, 153.3, 153.4, 153.6, 153.7, 153.8, 153.9)

Coronary Artery Disease - members who have ever had a claim with at least one occurrence of any of the following ICD diagnosis codes (410.00, 410.01, 410.02, 410.10, 410.11, 410.12, 410.20, 410.21, 410.22, 410.30, 410.31, 410.32, 410.40, 410.41, 410.42, 410.50, 410.51, 410.52, 410.60, 410.61, 410.62, 410.70, 410.71, 410.72, 410.80, 410.81, 410.82, 410.90, 410.91, 410.92, 411.0, 411.1, 411.81, 411.89, 412, 413.0, 413.1, 413.9, 414.00, 414.01, 414.02, 414.03, 414.04, 414.05, 414.06, 414.07, 414.2, 414.3, 414.8, 414.9, V45.81, V45.82)

Diabetes - members who have ever had a claim with at least one occurrence of an ICD diagnosis code that begins with 250

Hyperlipidemia - members who have ever had a claim with at least one occurrence of any of the following ICD diagnosis codes (272.0, 272.1, 272.4) OR one occurrence of any of the following procedure codes (80061, 82172, 82465, 83715, 83716, 83718, 83719, 83721, 84478)

Hypertension - members who have ever had a claim with at least one occurrence of any of the following ICD diagnosis codes (401.0, 401.1, 401.9, V81.1)

Prostate Cancer - members who have ever had a claim with at least one occurrence of an ICD diagnosis code that begins with 185

4. Major Chronic Conditions (*continued*)

Live Birth – members who have ever had a claim with at least one occurrence of any of the following ICD diagnosis codes 650, V27.0, V27.2, V27.3, V27.5, V27.6, V30, V30.0, V30.00, V30.01, V30.1, V30.2, V31, V31.0, V31.00, V31.01, V31.1, V31.2, V33, V33.0, V33.00, V33.01, V33.1, V33.2, V34, V34.0, V34.00, V34.01, V34.1, V34.2, V37, V37.0, V37.00, V37.01, V37.1, V37.2, V39, V39.0, V39.00, V39.01, V39.1, V39.2

At Risk Birth – live birth meeting one of the following conditions (followed by the CPT and/or diagnosis codes used for classification) :

- Low birth weight (<2500 grams)
 - 76401, 76402, 76403, 76404, 76405, 76406, 76407, 76408, 76411, 76412, 76413, 76414, 76415, 76416, 76417, 76418, 76421, 76422, 76423, 76424, 76425, 76426, 76427, 76428, 76491, 76492, 76493, 76494, 76495, 76496, 76497, 76498, 76501, 76502, 76503, 76504, 76505, 76506, 76507, 76508, 76511, 76512, 76513, 76514, 76515, 76516, 76517, 76518, V2130, V2131, V2132, V2133, V2134, V2135
- Pre-existing hypertension causing complications
 - 6422, 6427, 64220, 64221, 64222, 64223, 64224, 64270, 64271, 64272, 64273, 64274
- Premature birth (<37 weeks)
 - 76521, 76522, 76523, 76524, 76525, 76526, 76527, 76528
- Pregnancy complications caused by obesity
 - 64910, 64911, 64912, 64913, 64914
- Pregnancy complications caused by tobacco
 - 64900, 64901, 64902, 64903, 64904
- Eclampsia
 - 6426, 64260, 64261, 64262, 64263, 64264

4. Major Chronic Conditions (*continued*)

At Risk Birth (*continued*) – live birth meeting one of the following conditions (followed by the CPT and/or diagnosis codes used for classification) :

- Preeclampsia
 - 6424, 64240, 64241, 64243, 64244, 6425, 64250
- Drug dependence during pregnancy
 - 64830, 64831, 64832, 64833, 64834
- Diabetes during pregnancy (gestational diabetes)
 - 6488, 6489, 64880, 64881, 64882, 64883, 64884, 64890, 64891
- Pregnancy with history of infertility and/or ART
 - V230, V2385, V2386

5. High Risk High Cost Analysis

High Cost Claimants – A high cost claim was any claim that exceeded 25K during the period. We could not tie a members medical and drug claims together, so the 25K is only looking at medical claims.

6. Clinical Quality Performance

Asthma (Patient with inhaled corticosteroids or leukotriene inhibitors in the last 12 months) – members who have at least one RX claim, during the 12 month period, for a drug with a Generic Product Indicator (GPI) beginning with 44 or 50

Breast Cancer (Mammography Screening) – members who have at least one claim record with one of the following procedure codes (77052, 77055, 77056, 77057, G0202, V761)

Cervical Cancer (Screening) – members who have at least one claim record with one of the following procedure codes (88141, 88142, 88143, 88147, 88148, 88150, 88152, 88153, 88154, 88155, 88164, 88165, 88166, 88167, 88174, 88175, V7231, V7232, V762)

COPD (Patients with spirometry testing in the last 12 months) - members who have at least one claim record with one of the following procedure codes (94010, 94014, 94015, 94016, 94060, 94070, 94375, 94620)

Colon Cancer (Screening) – members who have at least one claim record with one of the following procedure codes during the period (44388, 44389, 44392, 44393, 44394, 45330, 45331, 45333, 45338, 45339, 45378, 45380, 45383, 45384, 45385, 82270, 82274, 88304, 88305, G0104, G0105, G0106, G0120, G0121, G0122, G0328, V160, V1851, V1859, V7641, V7650, V7651)

Diabetes (Patient that had at least 2 hemoglobin A1C tests in last 12 reported months) - members who have at least two occurrences of a claim record with one of the following procedure codes during the period (83036, 83037, 3044F, 3045F, 3046F, 3047F)

Diabetes (Patient that had an annual screening test for diabetic nephropathy) - members who have at least one claim record with one of the following procedure codes during the period (81000, 81001, 81002, 81003, 81005, 82042, 82043, 82044, 84156, 3062F, 3060F, 3061F)

6. Clinical Quality Performance (*continued*)

Diabetes (Patient that had an annual screening test for diabetic retinopathy) - members who have at least one claim record with one of the following procedure codes during the period (67028, 67030, 67031, 67036, 67039, 67040, 67041, 67042, 67043, 67101, 67105, 67107, 67108, 67110, 67112, 67113, 67121, 67141, 67145, 67208, 67210, 67218, 67220, 67221, 67227, 67228, 92002, 99203, 99204, 99205, 92012, 92014, 92018, 92019, 99213, 99214, 99215, 92225, 92227, 92228, 92230, 92240, 92250, 92260, 99242, 99243, 99244, 99245, 92134, 92226, 92235, 2022F, 2024F, 2026F, 3072F, S0621, S0620, S0625, S3000)

Hyperlipidemia (Patient with total cholesterol testing in last 12 reported months) - members who have at least one claim record with one of the following procedure codes during the period (82465, 80061, 82172, 83715, 83716, 83719, 83721, 83718, 84478)

Hyperlipidemia (Patient with an LDL cholesterol test in last 12 reported months) - members who have at least one claim record with one of the following procedure codes during the period (82465, 80061, 82172, 83715, 83716, 83719, 83721, 83718, 8447)

Prostate Cancer (Screening) – members who have at least one claim record with one of the following procedure codes (79093, 84152, 84153, 84154, G0102, G0103, V1642, V7644, V8403)

7. Summary of Prescription Drug Expense

Norms – We also utilized Segal book of business benchmarks for pharmacy norms

8. Prescription Drug Cost Management Analysis

High Cost Top Rx Therapy Classes – Based on American Hospital Therapy Class (AHFS) highest total plan paid (i.e., plan paid and member cost sharing)